

# Twitch to shut down in SKorea over 'seriously' high fees

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US-based streaming platform Twitch said Wednesday it would stop its service in South Korea in February because of "seriously high" network

costs, dealing a blow to millions of users in one of the heartlands of e-sports.

The Amazon-owned company said in a statement signed by CEO Dan Clancy that costs were 10 times higher than most other countries, making it impossible to continue operating.

South Korea allows internet service providers to charge data-heavy companies like Twitch extra fees, which has already led to a long dispute with Netflix.

Big telecom firms in Europe have pushed for a similar deal, which they call "fair share", but an EU consultation concluded in October that the idea was not popular.

Twitch said it had tried to lower its costs by reducing the maximum video quality but it was still losing money and would pull out of the country on February 27.

"The cost of running Twitch in South Korea is currently seriously high," said the statement.

## **'Stellar player'**

Twitch, acquired by Amazon in 2014 for close to \$1 billion, gained significant traction among gamers in South Korea.

The firm does not publish user numbers but it was widely reported in 2021 to have six million users in South Korea, more than four percent of its global total.

The country is known for its passionate, competitive, and dedicated gaming community, as well as its megastar Faker—a gamer hailed as the

Michael Jordan of e-sports.

"We would like to reiterate that this was a very difficult decision, and one that all of us at Twitch are deeply saddened by," the company's Wednesday statement said.

"South Korea has always been a stellar player in the global e-sports community and will continue to do so."

Shares in South Korean video streaming service Afreeca TV, Twitch's competitor, soared almost 30 percent in afternoon trading in Seoul.

Some of the country's Twitch users were devastated by the news.

One streamer, yummy\_2 said, "It feels like losing my job right now."

## **Biden vs. Trump**

Netflix was the first major international firm to cry foul over South Korea's rules on network fees, getting entangled in lawsuits with SK Broadband, one of South Korea's biggest internet service providers.

However, the two firms announced in September they would drop the legal cases and would now instead "collaborate as partners for the future".

While the usage fees are a boon to telecom companies, they are bitterly opposed by tech platforms around the world.

European lawmakers and digital rights activists also argue such an arrangement could break rules on net neutrality, whereby telecoms firms are barred from selling faster internet speeds to particular companies.

The issue has been at the heart of a years-long dispute in the United States with former President Donald Trump rolling back net neutrality rules and his successor Joe Biden struggling to restore them.

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